LPG Distributors in Ludhiana

590. SHRI MOHINDER SINGH KALYAN: Will the PRIME MINISTER be pleased to state:

(a) the number of LPG distributors appointed in Ludhiana in Punjab as on the 31st January, 1997;

(b) the details of complaints received against the distributors during the last three years and the action taken thereon; and

(c) the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) As on 31.1.1997, oil marketing companies have appointed 33 LPG distributors in Ludhiana City of Punjab.

(b) and (c) Complaints are received from time to time, against the LPG distributors for various malpractices/ irregularities like issue of unauthorised connections, unauthorised refill delivery, water-filled cylinder, delayed refill supply, non-home delivery. In established cases, penal action in line with Marketing Discipline Guidelines is taken against the erring distributors.

Joint Venture Oil Production from the Kharsang Oilfield

591. SHRI NILOTPAL BASU: Will the PRIME MINISTER be pleased to state:

(a) whether Government's attention has been drawn to the news item, which appeared in the Statesman dated the 24th January, 1997, regarding joint venture in the Kharsang oil field in Arunachal Pradesh, developed by OIL;

(b) if so, what is Government's reaction thereto, vis-a-vis oil production, before the joint venture and as on date, investment assured and actual investment by the private parties; and

(c) what is the experience of Enpro India and Geoenpro and whether they operate from the same office?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) Yes, Sir.

(b) The current production from Kharsang field is below the targets expected as per the Production Sharing Contract (PSC), mainly due to (i) delay in transfer of the operatorship of the field from OIL to Consortium by 8 months and (ii) delays in award of the service/ drilling contracts for working over the wells.

As per the current information, the Letter of Intent for the service and drilling contracts has been issued. This may result in meeting the production targets as stipulated in the PSC, in the near future along with the investment commitments. (c): M/s. Enpro India Ltd. is an Indian company with experience in oil and gas Industry and employs some skilled professionals. Geoenpro Petroleum Ltd., is a 50:50 percent Joint Venture between Enpro India Ltd. and Geopetrol International, a subsidiary of Holding company, the Geofinanciere Group, France. Geopetrol International has experience of operations of marginal and medium sized fields in several countries in Europe, South-America and Asia.

GeoEnpro and Enpro are operating from the same office in New Delhi to Minimise cost. The Project office of GeoEnpro is located in Kharsang, (Arunachal Pradesh).

Fiscal Incentives for Exploration of Oil and Gas

592. PROF. RAM KAPSE: Will the PRIME MINISTER be pleased to state:

(a) whether the Working Group of the petroleum sector has recommended major fiscal incentives to secure participation by

private sector companies in the exploration of oil and gas;

(b) if so, the details thereof; and

(c) by when Government propose to take final decision in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) The Working Group on the Petroleum sector for the formulation of IXth Five Year Plan has recommended the following major fiscal incentives to secure participation by the private sector in the exploration of oil & gas:—

(i) Reduction in cess/royalty.

(ii) Cess/Royalty to be made ad valorem of oil/gas price and not be a specific amount.

(iii) Withdrawal of customs duty on imports related to upstream operations.

(iv) Development of a special package for exploration in North-Eastern states.

(v) Exploration efforts to be treated at par with R & D , infrastructure etc. for giving tax incentives.

The recommendations of the Working Group from basis for the preparation of the ninth Plan document.

High Cost of Operation of Oil Companies.

593. SHRI YERRA NARAYANASWAMY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the high cost of operation of Indian Oil Corporation and other oil companies is partially responsible for the rising petrol prices;

(b) if so, the steps proposed to bring down the cost of operation of major public sector oil companies;

(c) whether any outside agency has been entrusted with the task of studying the costs of operation of major public sector oil companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (d) The major component of cost of production for petroleum products is the cost of crude oil and duties thereon. Continuous efforts are made by the oil companies/Govt. for ensuring cost control and economy in the expenditure by fixation of standard/norms and monitoring the actual performance vis-a-vis norms, for corrective action. As per the existing pricing mechanism, there is an inbuilt system of providing incentives/ disincentives for the oil companies to reduce their cost of production and only the normative costs of the refineries are reimbursed. All oil companies are continuously working on cost reduction methods on the basis of recommendations of inhouse studies and those by consultants.

New Oil Exploration Policy

594. SHRI AMAR SINGH: Will the PRIME MINISTER be pleased to state:

(a) whether Government have formulated new oil exploration Policy.

(b) if so, the details thereof; and

(c) if not, by when it is proposed to be formulated?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) No decision has so far been taken by the Government on changing the existing exploration licensing policy.

Reservation for Backward Classes for Allotment of Petroleum Pumps and Gas Agencies.

595. SHRI R. MARGABANDU: Will the PRIME MINISTER be pleased to state:

whether any reservation for Backward Classes is being followed in the allotment